



KNOWLEDGE . . . LIBERTY . . . UTILITY . . . REPRESENTATION . . . RESPONSIBILITY.

VOL. I.

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NO. 49.

NOTIONS ON HISTORY.—NO. I.

History as it is and as it is not—its uses and appliances—its errors and pleasures.

History in its simplest sense is a discourse concerning the actions and fortunes of the human species—their associations, institutions, customs, knowledge, virtues, vices, and of their vicissitudes; and it has been characterized by more than one eminent writer as wisdom teaching by example.

It may be perhaps considered as presumptuous in those who contemplate history as already perfect, when we venture to assert that it has already become necessary that history should be re-written, that it is rarely found faithful, more generally rendered imperfect by the developments of later knowledge; that the history of the same people and epochs written by different authors are contradictory—not merely as to the transactions narrated, but as to the very age or ages and places in which they are represented as having transpired.

Livy says, book I. p. 3.—As to the relations handed down to us of events prior to the foundation of Rome, or those transactions which gave occasion for its foundation, they have the semblance rather of poetic invention than of authentic relation; it is not meant to maintain or refute their antiquity, because it has been usual to indulge in the intermixture of divine with human agency. Livy therefore plainly intimates, that he rather reports what has been said by tradition or by authority, leaving to him who reads to determine for himself upon the probability of what he presents for perusal. The reputed father of History, Herodotus, who died 413 years before our era, appears to have been impressed with the same ideas, frequently takes occasion to guard the reader against imputing to the historian the responsibility of the statement which he merely reports as given by others.

Modern historians are not always so candid; and an acquaintance with them is apt to diminish confidence rather than inspire it. Not only do the histories of different nations differ from contemporaries in speaking of each other, but those of the same country narrate the same events in an entirely different manner.

Some histories of very great reputation in their day have silently slid from the eminence on which they had been placed, such are the works of Robinson on Asia and America. When Robinson ventured upon the arena of Asia, the mystic caverns of Ellore and Elaphanta had not been revealed; and Herodotus and Ctesias, and a few Arabian Chronologists were the foundations of his speculations. At this day a tyro who had spent more than two years in Hindustan would smile with astonishment at the want of knowledge in the Royal Historiographer.

The same celebrated writer, in possession of unusual means of information on America, was so unprepared for his subject, as to render his history of America of no authority. Robinson had so little judgement, or such indifference to justice, that he gave into the preposterous fable of the discovery of America by Bohem; and to offer such evidence in support of the imposition as ought not to have deceived any man of ordinary discernment.

Mitford has written a history of Greece, and Gillies has given a history of the works of Aristotle. The former instead of a dispassionate narrative of human transactions, is a labored disparagement of the Republics of Greece.—Gillies instead of a translation of the Stagyrite gives a paraphrase, and introduces the French Revolution constantly in the text and notes, as if it were a part of his subject.

These works are particularly noticed, because they are striking examples of the infidelity of history; and the bias of their tenor, serves to illustrate the too frequent causes of falsification under the pressure of great alarms or great afflictions. The French revolution which shook the thrones of Europe was at its extreme. Mitford, a man of fortune living in learned ease partook of the panic which agonized Europe, and united his fears and his hatreds by libelling states which existed 2350 years ago.

The fault of history as here presented from examples which may be called popular from their general circulation: extend in other modes to all history ancient and modern; so as to present Chronology in a light so dubious and contradictory, that such authority given as evidence in any ordinary transaction of society would be utterly rejected. Yet it is by furnishing conjectures on such discordant representations that many great men have wrecked an otherwise glorious reputation, and it is in relation to chronology that the discordancy of, historical testimony in ancient times, is most conspicuous, arising out of causes such as Livy had referred to.

The nations of antiquity that have been most discussed, and most relied upon are the Egyptians, Chaldeans, Chinese, Assyrians, Parthians, Greeks, and Persians.

Some of the lesser nations and by much the greatest and perhaps the most antient of them all, appear to have been scarcely known, such was greater Asia, or those nations now usually designated as Hindostan. It is a fact of singular curiosity that it is only within ten years, that a nation and people, and a country equal in extent to the United States has been discovered in the very centre of Hindostan. We refer especially to *Rajahsthan* the history of which has appeared only within this period.—A country in every natural quality rich, abounding in literature, and exhibiting remains of arts rivaling in beauty and chastity the proudest periods of Grecian elegance; a people whose records refute the weak credulity which would divest the Hindoos of any history; a weakness in fact proceeding as Livy has said from the posterous jealousy of superstition.

The chronology of the ancients and especially the Hindoos who appear to have preceded them all, and to have furnished them all with the machinery of their chronology and mythology which are found blended—and constantly intermixed with mystery.

The chronology of the moderns is arranged by Joseph Scaliger, who undertook to reform or reconcile them, in a work called the *Emendation of Time*, he complains that the vanity, discordance, and imperfections of Chronological systems as he found them, so that among a thousand systems no two were found to agree.

Yet upon such materials it was that great names have been established, an evidence in itself that in the perusal

the student must not accept as established all that is asserted. Bochart, Petau, Usher, Marsham, Dodwell, Jackson, and others have discussed the ancient Chronology, and as an example, Bochart a learned Jesuit of the 16th century undertook to enlighten the world on a passage in Plautus's drama of *Fenilus*, (or the *Phenician*), a character in that play, utters a speech in the language of Carthage, which is literally given; it puzzled the learned, and Bochart undertook to correct it—without knowing one word of its signification, and so the speech has remained like the hieroglyphics of Egypt till within a few years, when singular to say, it was found that this speech given by Plautus was in the very language vernacular in the westernmost island of Europe at this day, proving the imposture of Bochart. What dependance could be placed on such an historian and critic?

But it is little more than half a century that a sturdy English critic undertook a journey to the highlands of Scotland to investigate the authenticity of the poems of Osian, and of which he no more understood one word than Bochart.

The materials from which these learned men above named derived their argumentation, were *Julius Africanus*, *Eusebius*, and *Syncellus*, called George the Monk.

Julius derived the discriminative name of *Africanus*, from the country of his nativity. He lived in the year 231 of our era, and published five books on chronology, purporting to be from the creation of the world to the year 221 of our era; of which only some fragments remain, that were preserved by *Eusebius* in his *Chronicle*, and some other fragments by other historians; these particularly gave the form to chronology which has ever since affected its uncertainty. They found indeed various streams flowing from remote sources into the great reservoir, but they muddled the waters. It was not to ascertain what was true or to expose what was false that those reformers contemplated, they had formed a system, or adopted a system which existed before, but they could not reconcile what was derived from abroad with that which they had adopted at home; and the work they undertook was to cut down what would not square with their own scheme and reconcile them by mutilation and splicing.

Thus far affords a pretty distinct off-hand sketch of history as it has been cut up and modelled into a part of the Mosaic Platform; in a future number we shall resume the subject, and furnish some very striking examples of the influence of mystical notions on the texture of history; and apply this knowledge to develop the uses and the pleasures of historical study: noting as we go along the classification of historical readers by Colridge, one of the negatives of the present age.

1st Class—like an *hour-glass*—whose reading runs thro' like sand and leaves no residue.

2d. Class—like a *sponge*, which imbibes every thing, and returns it rather soiled.

3d. Class—like a *jelly-bag*—which permits all that's pure to pass thro' and retains only the dross.

4th. Class—the laborer in *Golconda*—who cuts away all that is worthless, and retains only the pure diamond.

[TO BE CONTINUED.]



PUBLISHED BY WILLIAM DUANE.

PHILADELPHIA, MARCH 14, 1835.

PROSPECTUS.

It is proposed to publish this paper on every Saturday morning, as soon as the subscription shall cover the expense.

The price to be \$3 for 52 numbers—to be paid in advance.

Gentlemen who have already made advances, may, if they think fit, cover the sum on hand, by obtaining a subscriber, and retaining the subscription to repay themselves.

Of the political principles of the paper, it is not necessary to make any other declaration than had been made on first issuing proposals.

The limitation of the issue to once a week, will, of course, imply a weekly review of public affairs—domestic and foreign.

It will be the object of this paper to supply information such as other papers do not usually afford, and which may be found more interesting and conducive to utility than the matter of papers generally.

Reviews of the public Press—and of the Reviewers technically so called.—Information on the practical operations of society in Agriculture, Arts, and Commerce.

Retrospective political enquiries as to the last forty years.

As it will be necessary to ascertain, as soon as possible, the extent of the subscription, extra numbers of this day's paper will be circulated at those points from which the preference for a weekly paper had been expressed.

The Convention of Delegates from different parts of this Commonwealth, appointed to nominate a citizen as Governor for the next term of three years, assembled on Thursday, the 4th instant.

It appears there were two sets of delegates from different places, and the Convention, has finally agreed to dissolve itself, recommending to the people to elect Delegates on the 27th April, who shall meet at Lewistown on the 6th of May next, to put candidates in nomination.

The policy of Europe appears to be confined at the latest advices to "home affairs." Portugal was quiet—Spain yet vexed by the Carlists—agitations in Italy have been so frequent and so inconsequent, that, though several parts of Italy were in disquiet, it is passed over as rather of ordinary occurrence.

Russia, isolated from the rest of Europe, is little known out of her frontiers. Poland and Persia at this time occupy her statesmen. Austria cannot be judged of on the same conditions as any other power. She exhibits a strange mixture of antique with modern institutions; immoderately selfish and eager for aggrandizement as the other confederates. Prussia is engaged in producing a new discipline, and instead of the drill-sergeant and long queues, she sends out the schoolmaster. Holland and Belgium continue to grumble and wait for events. The elections under the Tory ministry (England) had closed, but the results are not yet fully ascertained. The opposition in France cannot long adhere, the elements are too repulsive.

Thomas Moore's history of Ireland is at length announced to appear on the 1st March, 1835, in three volumes, so that it has been reduced one-half. This work will seal or sink Moore's character for ever. It is manifest that he is completely acquainted with the true, hi-

thero unwritten history of his native country: His memoirs of Captain Rock proves him well to understand his subject; and his life of Lord Edward Fitzgerald was an eminent act of generous boldness that merited and obtained universal admiration. The task of the general history is more arduous—it must be the truth, the whole truth, and nothing but the truth, which never has been its fortune, as to historians, from Girald of Wales down to Jonah Barrington. If the whole truth be told, the world has not yet afforded a parallel history; if it be an apology for the barbarity of the 12th century, Thomas Moore's—no more.

THE FRENCH INDEMNITIES.

This question had reached a stage in the public view, which gave it more than ordinary importance—not merely from the pecuniary amount pledged to be paid by the treaty, but from the importance which it carried before the nations of Europe. Breach of Treaty among the nations of Europe is no novelty, the history of our times, would furnish a volume of instances, but it must be said, in regard to France, that deviations from the obligations of treaties are so very rare, as to give to the case in view one remarkable feature.

For these reasons, as apart from the public documents we have seen no historical statement of the rise and progress of the events which belong to this case; and in some of those productions, which under the name of *School-books*, from which our children obtain their first notions of history, the original transactions out of which the differences have arisen, are stated so as to totally reverse the truth.

The difference with France arose out of events incident to the French Revolution, in which Great Britain took no open part till 1793. Tho' the wars which arose then and all those combinations of European powers which followed, assumed various pretexts; none of them consistent with the rest; on the part of Great Britain its main spring was commercial colonies—commercial pre-eminence—all the islands of the ocean—in short, exclusive trade, only subject to the navigation policy of England.

The American enterprize, tho' only ten years entered upon the free competition of the commercial world, had, in the four years which preceded the open declaration of war against France, displayed an activity which excited no agreeable anticipations in the power which ruled the seas. The political rivalry of Great Britain and France, was as to the former, by no means so powerful as the commercial; but the two motives combined in the case of Great Britain and the United States. The French had aided America—they had commercial treaties—the French were becoming manufacturing rivals—and they were both proclaimed enemies of Kings, &c.

The war had scarcely begun when the American commerce was exposed to British depredations; at first by vexatious interruptions and detentions on the high seas, and the most grievous of all the impressment of American seamen under the most contumelious aggravations.

1st February, 1793, France declared war against Great Britain, and the activity of American enterprize very soon occupied with its tonnage and free flag the carrying trade which was more indispensable to commerce by the war. This occurrence so natural in itself has been the chief source of the various violations of all public law and the rights of independent nations. In the American Revolution it had produced the memorable combination called the armed neutrality under the ostensible auspices of Catharine II. of Russia; and had obtained its confirmation by the obtainment of satisfaction by the Swedish court from that of Great Britain for a violent search of a Swedish fleet on the high seas.

Until the open war between France and England this question had reposed in the treatises published by public men. The success of the American mercantile marine

had excited the commercial jealousy of the merchants of England, always influential with an English Minister; and an under Secretary in one of the British Offices came forth with a pamphlet of the most violent tone, it was entitled *war in disguise*; to be explained in this way—America exercises her free flag in carrying on commerce with France; this is war against England, since it is aiding the enemy of England; and its neutrality is a disguise.

On the 8th of June 1793, an order of the British King, in council was issued, ordering all vessels bound to France with corn, meal, flour, &c. be brought into British Ports, and the cargoes paid for.

In the spirit of the same policy an order in council of the British king was issued on 6th November, 1793, to bring in all neutral ships laden with the products of the French Colonies.

These orders and the outrages which grew out of them, led to the memorable treaty of 19th Nov 1794, concluded by Mr. Jay with Great Britain.

It is not impertinent to the matter to remark here, that on the discussion of this treaty in Congress, a point was made and debated wherein the House of Representatives asserted their right to refuse the supplies to carry a treaty into execution, if they disapproved of the treaty itself, notwithstanding it might have obtained the approbation of the executive and the Senate.

The parallel case has taken place in France on the American indemnity, wherein the Representative body has taken exactly the same ground, and had once acted upon it, by rejecting the appropriation.

The treaty of 1794 did not obtain its objects. The depredations on American commerce, and the violence on American citizens had but a temporary intermission, to be revived with more aggravated violence, unprecedented since the wars between Rome and Carthage. On the 7th January, 1806, a British Order in Council, absolutely prohibiting neutral powers (and America was meant) from trading with the ports of France or her allies, or with each other; or with any port where British ships had not admission.

It is not necessary to dwell on the outrageous usurpation and disregard of the laws of nations; it was indeed only an extension of the order of 6th November, 1793; and has Holland has long been the factor rather than the carrier of European commerce, and had, through the Stadholder been involved, there only remained in Europe the Danish flag to be applied to, which did not amount at this time to more than 27 maritime vessels; while the "American canvas, vexing every sea," in fact carried on the coasting trade of France.

The French, after the signal battle of Jena, occupied the Prussian capital, and in ten days afterwards was issued the memorable Berlin Decree.

It was dated 21st November, 1806, and appears to have taken up the British Orders in Council, categorically decreeing

1. The British Isles in a state of blockade.
2. Interdicts all correspondence and commerce, even by packets or letters.
3. Made all British subjects wherever found by France or allies, be held as prisoners of war.
4. Every warehouse, shop, &c. used in the sale of British manufactures to be confiscated.
5. All trade in British goods forbidden, and all British or colonial goods, wherever found, to be lawful prize.
6. That the avails of capture be applied to indemnify French merchants for losses by British capture.

There appeared now to be only two powers on earth and sea, bent not only upon the destruction of each other, but of all nations which did not coincide with one or the other.

On the 11th November, 1807, three British Orders in Council were issued, declaring all ports of France block-

aded; and on the 25th November, 1807, six other Orders in Council were issued, all entangling the claims of the injured in the meshes of the Admiralty Courts. On 17th December, 1807, was the clinching decree dated at Milan, which declared all ships, of whatever nations, should submit to the British Orders in Council, as by that act divesting their flag of its nationality.

These were generally the whole of the aggressive Orders and Decrees: and it was under these violations of the law of nations, that the commerce of America suffered, and for which the matter now before the public has produced a new dispute.

WEIGHTS AND MEASURES.

The extent and constancy of commercial transactions between the United States and Great Britain renders every alteration which takes place in the weights or measures of either country important to the other. The defects of the standard of weights and measures have been matter of discussion and projected reform for more than half a century.

Two acts of the British Parliament, 5 Geo. IV. c. 74 and 6 Geo. IV. c. 12 were passed with a view to remedy the defects, by establishing uniformity of weights and measures, throughout the British dominions. It is not to the present purpose to inquire why it was necessary to pass another act, 4 & 5 Will. IV. c. 49, to go into operation on the first of January 1835. The main purpose of this act are said to be.

1. To introduce a general conformity of weights and measures with the standard weights and measures prescribed by the two previous acts 5 George 4, c. 74, and 6 George 4, c. 12; repealing such portions of those acts which require all weights and measures to be manufactured after the models and copies, in shape and form, of the standards deposited in the Exchequer.

2. To repeal also such provisions of those acts as allowed the use of weights and measures (not in conformity with the imperial standards,) established by local custom or founded on special agreement.

3. To abolish the use of the heaped measure altogether.

The fourth section of the new act abolishes the heaped measure after the 1st January 1835, and declares all bargains, sales, and contracts, made by the heaped measure, after the 1st of January last, to be null and void. This section, also, declares, *no weight made either of lead or of pewter shall be stamped or used after the 1st of January, 1835.*

The fifth section also provides that copies of the imperial standards (verified and stamped at the Exchequer) shall be procured, by order of the magistrates at quarter sessions, for all counties and districts in England and Wales: such copies are to be deposited at certain central and convenient places to be fixed upon by the magistrates, to be under the care of an inspector to be appointed by the said magistrates, and liable to be dismissed by them as occasion may require.

The 12th section subverts many local customs and usages, and strikes at the root of that varying measure called the stone weight, which in some places, is deemed to contain 14 lbs, in others 10, and in London commonly 8 lbs. It enacts, that in all cases hereafter, the stone shall consist of **FOURTEEN ROUNDS** avoirdupois; the hundred weight of eight such stones, and the ton of twenty; all the contracts made by any other stone, hundred weight, or ton, to be null and void. It also enacts that all articles shall be sold by avoirdupois, except gold, silver, and precious stones and drugs, when sold by retail.

The 14th, section requires—1. All weights and measures to be stamped by the inspector whether measure of *length lineal* or *superficial measures*, or *measures of solidity and capacity*; in a word, all weights, measures, scales, weighing-beams, and instruments of weights and measures of every kind.

2. It imposes a penalty for making any other weights or measures **OTHER** than those authorised by the act; that is weights and measures, duly stamped, after having been compared by the inspector with the imperial standards.

3. It imposes a penalty upon the selling, exposing for sale, or the using any weights or measures *which shall not have been stamped as directed by the act, or which shall be found light or otherwise unjust*; the penalty is 5l upon conviction.

4. It annuls all contracts, bargains, or sales made, either by any weights or measures unstamped, or which shall be found light or otherwise unjust. And lastly, it enacts that all unstamped, light, and unjust weights and measures, shall be seized and condemned. This section also entitles the inspector to demand

certain fees according to the schedule which we shall subjoin; and requires the inspectors to enter into recognisances for the due discharge of their duty.

The schedule of fees is as follows, which is to be taken by all inspectors of weights and measures (except those appointed for the cities of London and Westminster, or under the authority of the Founders Company,) and by all weighmasters in Ireland.

For examining, comparing, and stamping, all Brass Weights, within their respective jurisdictions:

	s.	d.
For each Half Hundred Weight - - -	- 1	6
For each Quarter of a Hundred Weight - - -	- 0	9
For each Stone - - - - -	- 0	6
For each weight under a Stone - - -	- 0	1½

For examining, comparing, and stamping all Iron Weights, or Weights of other descriptions not made of Brass, within their respective jurisdictions:

	s.	d.
Each Half Hundred Weight - - -	- 0	5
Each Quarter of a Hundred Weight - - -	- 0	3
For each Stone, and all weights under a Stone - - -	- 0	2

For examining, comparing, and stamping all Wooden Measures, within their respective jurisdictions:

	s.	d.
Each Bushel - - - - -	- 0	6
Each Half Bushel - - - - -	- 0	3
Each Peck, and all under - - - - -	- 0	2
Each Yard - - - - -	- 2	6

For examining, comparing, and stamping all Measures of Capacity of Liquids, made of copper or other metal, within their respective jurisdictions:

	s.	d.
Each Five Gallon - - - - -	- 1	8
Each Four Gallon - - - - -	- 1	4
Each Three Gallon - - - - -	- 1	0
Each Two Gallon - - - - -	- 0	8
Each Gallon - - - - -	- 0	4
Each Half Gallon - - - - -	- 0	2
Each Quart - - - - -	- 0	1
Each Pint, and under - - - - -	- 0	0½

Power is given to the magistrates to inspect weights and measures by sec. 17; and in case of their finding in the possession of any tradesman, weights, measures, beams and scales, or other weighing machines, which shall, on examination, turn out to be light and unjust, the same are declared to be forfeited, and the person, in whose possession they are found is made liable to a penalty of 5l. Then follows an important proviso, "Provided always, that any person who shall neglect or refuse to produce for the inspection of such magistrates when thereto required, all weights and measures, beams, scales, or other weighing machines, which shall be in his possession, or shall otherwise obstruct or hinder such magistrates, shall be liable to a like penalty."

A penalty is inflicted for counterfeiting stamps on weights or measures, not exceeding 50l, nor less than 10l; and any person knowingly selling, or exposing to sale, any forged or counterfeited stamp or mark, or weights or measures containing such counterfeited stamp or mark, is made liable to a penalty of not more than 10l, nor less than 2l.

Many woollen drapers, hosiers, linen drapers, and haberdashers are accustomed to sell by measures marked on their counters: the act applies to *superficial measures* and *measures of length*, by the yard, foot, or ell, as well as to measure of *capacity*, such measures so marked on the body or edge of the counter will be illegal unless stamped; and as they cannot take their counters to be stamped, tradesmen must get regularly stamped measures: viz., yards, feet, ells, inches, &c.

These measures were certainly called for by a grievous necessity. Much pains had been taken under the two first acts to accomplish the ends, but the means to enforce them were, found insufficient, from various causes. The avarice of trade—the difficulty of reaching abuses—and in a very considerable degree, the perplexity of the new system.

Some of the *wise ones*—and this class has its *pendants* every where—suggested, as a *ready means* of assuring the enforcement of the laws, to cause books of tables to be constructed by a *logarithmetical* formula, so as to ascertain at a glance the relation of any given weight or measure of the *abrogated* system with that of the newly established.

Logorathims!—How many dealers in the ten thousands of business understand *logorathims*? Imagine a retailer of *salt* or *char-coal* by the bushel—a measurer of calico or pink-ribbon by the yard—with the scales or

yard in one hand, and the *book of ratios* in logorathims in the other, and the plainest observer must perceive the impracticability of such a *mode of dispatching* business.

These defects are intended to be remedied by the law which went into operation in the first day of the present year, and as goods of every kind will, of necessity, be sold by the new standard, the importance cannot be mistaken.

In fact, the thousands of weights and measures in the U. S. are in every respect worse than those which the new laws are proposed to correct; for not only have we no national regulation, but the several states differ from each other; and although it is a sovereign authority vested in the legislature altogether, we see various States from time to time undertaking to exercise this power; nay, it is very recently, that in some of the States private individuals have undertaken, without any authority of law, to reform the gross *cwt.* of 112lbs., and reduce it to 100lbs, avoirdupois neat. More recently the *spirit of trade* has found something to legislate upon, in proposals for abolishing the *custom of thumbing* the yard.

Certainly a State reform of weights and measures is absolutely necessary. It was before Congress several years ago, but it was so mystified and rhetoricised, as to deter plain minded men from approaching a subject upon which so much could be said without being rendered intelligible.

Perhaps no course could be more proper now, than for Congress to call upon the Executive to direct the proper department to take measures for such a reform, and report at the next session. In such a report, the history and the mysteries, and the allegories might be dispensed with as better adapted for the Philosophical Society.

The uses of standards extending to transactions between commercial nations, regard should be paid to precision in standards, and wherever they could be assimilated or made a common description. It removes one step towards that, to be apprised of one commercial improvement. The establishment of standards in common by all nations—is universally and fixable, especially measure or *magnitude, capacity, weight and value.*

As it is probable that the money measure might be found an obstacle, as its correction would affect most active, effective, and pernicious classes—such as brokers, bankers, and insurers, money may allowed to travel on in the good smooth road, so fortunately and beneficially opened for it on the 4th July, 1834.

Whenever a reform of weights and measures takes place, as another step towards a general principle, tables of quantities in the improved regulation, should be associated with a decimal proportion—which would place the subject within the reach of all nations.

ASSASSINATION.

The event of most signal and extraordinary occurrence since our last publication, is a deliberate attempt to assassinate the President of the United States.

We give from other papers the formal legal examination of the assassin, and a further examination by two respectable medical men.

It appears that the interment of Mr. W. Davis, a member of Congress was to take place on Friday 30th of Jan., and it being usual for many members of Congress to attend the funeral, the President from a sentiment of respect, also attended. A funeral sermon had been delivered, and the concourse was proceeding thro' the Rotunda of the Capitol toward the great eastern stairs, when the attempt was made.

The assassin is named Richard Laurence, an Englishman, and by trade a house painter. He had resided at Washington for some time and had a sister married there to a Mr. Redfearn. He took a position such as would assure him the government of his right arm, and waited

with the utmost coolness, the approach of the President, against whom he raised and snapt a pistol. The lock was of the percusion kind, and the cap only exploded without igniting the charge.

Mr. Woodberry, Secretary of the Treasury, was arm-in-arm with the President, but instantly rushed upon and struck the assassin, who attempted to raise a second pistol, but was arrested by Lieut. Gedney of the Navy, who prostrated the assassin to the floor.

The President himself raised his cane and was rushing upon the ruffian, but was prevented by the seizure of the person.

He was taken into custody and examined before the District Judge Cranch, who after examination signified that the accused might be released on a security of \$1000 this appearing rather disparaging the cause of public justice, the Judge consented to make the bail \$1,500—none has been since offered, and he remains in custody.

This kind of event hitherto unknown to our country, has presented in public a most extraordinary moral spectacle.

The manner in which this new kind of event has been treated in public, is as remarkable as the transaction itself. The cold legal moderation of the Judge has obtained due credit throughout the country, and it has been well observed that had such an attempt been made on his relation President Adams, to whom he owed that appointment, or to his relative J. Q. Adams, the Judge would probably have deemed the occasion, were it only for example, as requiring something higher security.

But the conduct of the press was not less cool and considerate; it was held forth that the assassin was *insane*.

By others that it was a contrivance of the President's friends to promote popularity!

But throughout the country there has been exhibited in all the presses opposed to the public administration, a uniform disposition to *mitigate, excuse, or palliate* the enormity.

Some public men, whose before disreputable and now the more odious speeches, had been for many months labored to produce a dissolution of the Union, and whose ambition had been grievously thwarted by the successful Administration of Andrew Jackson; those gentlemen "you may know the wounded birds by their fluttering" as was said by Mr. Widgery—these gentlemen thought fit to come out and vindicate themselves as free of any influence or share in the horrid transaction.

There did not then appear, nor has any thing since appeared, to show any personal grievance, either in himself, or any friend of his. His politics were adverse to the administration, as well as his sister's husband Redfern.—He had no claims against any one unsatisfied, and throughout he has displayed self-possession worthy of a better cause.

There are some contradictions, nevertheless, in his own narrative, which betray any thing but an insane mind. When the pistols were produced before the magistrate, he requested they might not be *scratched* or marked as is usual to identify them, because he had *borrowed* them.

On a subsequent day the reverse appeared, by his own acknowledgment, and that of his sister; the pistols were his own, and he had provided the new percusion locks at his own expense, instead of the flint locks they previously had.

It is in vain to search for the fortunate failure of the explosion. Upon drawing the charges, the pistols were loaded with judgment, and with the best powder; and it seems he had made some experiments as he appears to have said he fired and pierced a inch board at 10 feet with one of them.

In the Senate of the United States, Saturday 21st Feb. there was laid before the House a communication from George Poindexter, Senator from Mississippi, inviting the

Senate to an anonymous letter, which stated that affidavits were in possession of the President of the United States, going to prove that personal intercourse had taken place between Mr. Poindexter and Richard Lawrence, a few days prior to the attempt to assassinate the President, and asking for a select committee to investigate the facts.

The communication being read, and a paper, subscribed J. D. Pearce, a member of Congress, testifying that he had saw such papers in the hands of the President.

Mr. CLAY rose and said, that the communication and document which had just been read, inspired him with nothing but the deepest mortification and regret; and when he saw the anonymous letter to which the communication referred, he did not believe there was the slightest foundation for it. It was impossible for him to credit the statement, that *affidavits should have been procured at the instance of the Chief Magistrate*, for the purpose of implicating a Senator of the United States in so foul a transaction. That such a plan of injuring a fellow-citizen should be adopted, affidavits of such a tenor procured, and put away for the purpose of producing them under such circumstances as should prevent the charges from being met, he should not credit, but upon the production of much higher evidence than had yet been adduced.

But, said Mr. C., the communications calls on us for the exercise of a most unpleasant duty, and at a most unpropitious season—at a time when the Senate is within seven or eight days of the close of its session, and when the official existence of the Senator, himself, for a time at least, is near its close. But although the time is short, that should not become a question when the duty of the body required it to act. It was the duty of the Senate to inquire into the case, as requested by the Senator, and if it should turn out to be true that he had the slightest agency in that most nefarious attempt involving the life of a fellow-citizen, and that citizen the Chief Magistrate of this country, he had no doubt, painful as the alternative might be, that we would be called on to exercise the high functions conferred on the Senate by the Constitution, of expelling so unworthy a member. But if it should turn out that there was not the slightest foundation for the charge and that there had been no agency on the part of the Chief Magistrate in procuring such affidavits, it was due to the country that he should be vindicated from the aspersion. Taking this view of the case, he thought there could not be the slightest objection to creating the Committee of Investigation.

Mr. C. concluded by moving that a committee of five be appointed for this purpose; clothed with power to send for persons and papers.

The motion was agreed to.

On balloting for the Committee, it appeared that Messrs. TYLER, SMITH, MANGUM, KING, of Georgia WRIGHT were appointed.

The committee exonerated Mr. Poindexter.

THE OUTRAGE ON THE PRESIDENT—CONFESSION OF LAWRENCE.

The undersigned, having been requested by the Marshal of the District of Columbia to visit Richard Lawrence, now confined in the jail of the county of Washington, for an attempt to assassinate the President of the United States, with a view to ascertain, as far as practicable, the present condition of his bodily health and state of mind, and believing that a detail of the examination will be more satisfactory than an abstract opinion upon the subject, we therefore give the following statement. On entering his room, we engaged in a free conversation with him, in which he participated, apparently, in the most artless and unreserved manner. The first interrogatory propounded was, as to his age, which question alone he sportively declined answering. We then inquired into the condition of his health, for several years past—to which he replied, that it had been uniformly good, and that he had never laboured under any mental derangement: not did he admit the existence of any of these symptoms of physical derangement which usually attend mental alienation. He said he was born in England, and came to this country when twelve or thirteen years of age, and that his father died in this district

about six or eight years since; that his father was a Protestant and his mother a Methodist, and that he was not a professor of any religion, but sometimes read the bible, and attended church. He stated that he was a painter by trade, and had followed that occupation to the present time: but of late, could not find steady employment—which had caused much pecuniary embarrassment with him; that he had been generally temperate in his habits, using ardent spirits moderately when at work; but for the last three or four weeks, had not taken any; that he had never gambled, and, in other respects, had led a regular, sober life.

Upon being interrogated as to the circumstances connected with the attempted assassination, he said that he had been deliberating on it for some time past, and that he called at the President's house about a week previous to the attempt, and being conducted to the President's apartments by the porter, found him in conversation with a member of Congress, whom he believed to be Mr. Sutherland of Pennsylvania; that he stated to the President that he wanted money to take him to England, and that he must give him a check on the bank, and the President remarked, that he was too much engaged to attend to him—that he must call another time, for that Mr. Dibble was in waiting for an interview. When asked about the pistols which he used, he stated that his father left him a pair, but not being alike, about four years since he exchanged one for another, which exactly matched the best of the pair; these were both flint locks, which he recently had altered to percusion locks, by a Mr. Bosteler; that he had been frequently in the habit of loading and firing those pistols at marks, and that he had never known them to fail going off on any other occasion, and that at the distance of ten yards, the ball always passed through an inch plank. He also stated, that he had loaded those pistols three or four days previous, with ordinary care, for the purpose attempted; but that he used a pencil instead of a ram rod, and that during that period, they were always carried in his pocket; and when asked why they failed to explode, he replied he knew no cause. When asked why he went to the Capitol on that day, he replied that he expected the President would be there. He also stated that he was in the Retunda when the President arrived, and on being asked why he did not then attempt to shoot him, he replied that he did not wish to interfere with the funeral ceremony, and therefore waited till it was over.—He also observed that he did not enter the Hall, but looked through the window from the lobby, and saw the President seated with members of Congress, and he then returned to the Retunda, and waited until the President again entered it, and then passed through and took his position in the east portico, about two yards from the door, drew his pistols from his inside coat pocket, cocked them, and held one in each hand, concealed by his coat, lest he should alarm the spectators—and states, that as soon as the one in the right hand missed fire, he immediately dropped or exchanged it, and attempted to fire the second, before he was seized; he further stated that he aimed each pistol at the President's heart, and intended, if the first pistol had gone off, and the President had fallen, to have defended himself with the second, if defence had been necessary.

On being asked if he did not expect to have been killed on the spot, if he had killed the President, he replied he did not; and that he had no doubt but that he would have been protected by the spectators. He was frequently questioned whether he had any friends present, from whom he expected protection. To this he replied, that he never had mentioned his intention to any one, and that no one in particular knew his design; but that he presumed it was generally known that he intended to put the President out of the way. He further stated, that when the President arrived at the door, near which he stood, finding him supported by Mr. Woodbury, and those in his rear, and being himself rather to the right of the President, in order to avoid wounding Mr. Woodbury, and those in the rear, he stepped a little to his own right, so that should the ball pass through the body of the President, it would be received by the door-frame, or the stone wall. On being asked if he felt no trepidation during the attempt, he replied, not the slightest, until he found that the second pistol missed fire. Then observing that the President was advancing upon him, with uplifted cane, he feared it contained a sword, which might have been thrust through him before he could have been protected by the crowd. And when interrogated as to the motive which induced him to attempt the assassination of the President, he replied, that he had been told that the President had caused his loss of occupation, and the consequent want of money, and he believed that to put him out of the way, was the only remedy for this evil; but to the interrogatory, who told you this? he could not identify any one, but remarked that his brother-in-law, Mr. Redfern, told him that he would have no more business, because he was opposed to the President—and he believed Redfern to be in league with the President against him. Again being questioned, whether he had often attended the debates in Congress, during the present session, and

whether they had influenced him in making this attack on the person of the President, he replied that he had frequently attended the discussions in both branches of Congress, but that they had, in no degree, influenced his action.

Upon being asked if he expected to become the President of the United States if General Jackson had fallen, he replied no.

When asked whom he wished to be President, his answer was, there were many persons in the House of Representatives. On being asked if there were no persons in the Senate, yes, several; and it was the Senate to which he alluded. Who, in your opinion of the Senate, would make a good President? He answered Mr. Clay, Mr. Webster, Mr. Calhoun. What do you think of Col. Benton, Mr. Van Buren or Judge White for President? He thought they would do well. On being asked if he knew any member in either House of Congress, he replied that he did not—and never spoke to one in his life, or they to him. On being asked what benefit he expected to himself from the death of the President, he answered he could not rise unless the President fell and that he expected thereby to recover his liberty, and that the mechanics would have plenty of work; and that money would be more plenty. On being asked why it would be more plenty, he replied, it would be more easily obtained from the Bank. On being asked what bank, he replied the Bank of the United States. On being asked if he knew the President, Directors, or any one of the officers of the Bank, or had ever held any intercourse with them, or knew how he could get money out of the Bank, he replied no—that he slightly knew Mr. Smith only.

On being asked with respect to the speeches which he heard in Congress, and whether he was particularly pleased with those of Messrs. Calhoun, Clay, and Webster, he replied that he was, because they were on his side. He was then asked if he was well pleased with the speeches of Colonel Benton and Judge White? He said he was, and thought Col. Benton highly talented.

When asked if he was friendly to Gen. Jackson, he replied No. Why not? He answered. Because he was a tyrant. Who told you he was a tyrant. He answered, it was a common talk with the people, and that he had read it in all the papers. He was asked if he could name any one who had told him so? He replied no. He was then asked if he ever threatened to shoot Mr. Clay, Mr. Webster or Mr. Calhoun, or whether he would shoot them if he had an opportunity? He replied, No. When asked if would shoot Mr. Van Buren, he replied that he once met with Mr. Van Buren at the rotundo and told him he was in want of money and must have it, and if he did not get it, he (Mr. Van Buren) or Gen. Jackson must fall. He was asked if any persons were present during this conversation? He replied that there were several present, and when asked if he recollected any one of them he replied that he did not. When asked if any one advised him to shoot Gen. Jackson, or say that it ought to be done? he replied, I do not like to say. On being pressed on this point, he said that no one in particular had advised him.

He further stated, that believing the President to be the source of all his difficulties, he was still fixed to his purpose to kill him and if his successor pursued the same course, to put him out of the way also—and declared that no power in this country could punish him for having done so, because it would be resisted by the powers of Europe, as well as of this country. He also stated that he had been long in correspondence with the powers of Europe, and that his family had been wrongfully deprived of the crown of England, and that he should yet live to regain it—and that he considered the President of the U. States nothing more than his clerk.

We now think proper to add, that the young man appears perfectly tranquil and unconcerned, as to the final result, and seems to anticipate no punishment for what he has done. The above contains the leading, and literally expressed facts of the whole conversation we had with him, which continued at least two hours. The questions were frequently repeated at different stages of the examination and presented in various forms.

NATHL. P. CAUSIN, M. D.

Physician to the Jail of Washington.

THOMAS SEWALL, M. D.

Feb. 4, 1835.

(Copy.)

SENATE CHAMBER,
Feb. 20th, 1835.

SIR: The writer* of the letter published in the New York papers, implicating me in the attempt of Lawrence to assassinate the President, has given me your name his authority for the statement contained in the letter referred to. I am, therefore, to inquire of you by what authority you authorized that statement?

Your immediate reply is expected, which will be conveyed to me by my friend Judge Black.

I am, sir, your obedient servant,

HON. DUTEE J. PEARCE.

* S. S. Southworth.

Washington, Feb. 20, 1835.

HON. GEORGE POINDEXTER: Sir—Your note of to-day has been put into my hand by Judge Black, who has given me the name of the gentleman who wrote the letter published in one of the New York newspapers, to which you have called my attention. The writer of that letter has taken the usual humor of the Washington letter writers, and has published more than he was authorized to publish by me. Some few days ago, he was in my room, and I stated to him what was, as I then thought, very generally known, that affidavits had been taken, which, in the opinion of many, would implicate you in the late assault of Lawrence upon the President of the United States, to wit: That but a few days preceding that assault, it would be shown by the testimony of respectable witnesses, that Lawrence was seen going into and coming out of your house several times; that you were also seen talking with him in the street.

I was authorized to make this statement by two gentlemen who are fellow boarders; the Hon. Joel K. Mann, and passed midshipman Ward, the first named gentleman had seen the affidavits of two witnesses, proving in substance what I have stated. I had not then seen the affidavits, but have since read them, and found that what I have noted, as nearly as I can now recollect their contents, were proved by them. The affiants are said to be highly respectable men—I am not acquainted with them—the affidavits were taken before one Coltman, a member of the City Council. The name of one of the gentlemen is Stewart, and the other Foy.

I am your very obedient servant,

DUTEE J. PEARCE.

The above is the original draft of the letter sent to Governor Poindexter. The letter sent may vary in two or three words, but not so as to change the sense in any way. Judge Black has promised me an exact copy of my letter to-morrow, also my note to him of the 21st, in which I corrected two words in my letter to Gov. Poindexter; one in stating that Mr. Coltman was the Magistrate before whom the affidavits were taken, and the other in saying that Gov. Poindexter was seen in the street with Lawrence, instead, as I ought to have stated, in the entry or alley of his own house, as sworn to by some of the men whose affidavits have been taken.

DUTEE J. PEARCE.

(Copy.)

Washington, Feb. 21, 1835.

SIR: Your note of yesterday, in reply to mine of the same date, accounts for the manner in which the letter from Southworth to the news-room originated: there remains yet one point on which your information must be perfect, and to which you have not adverted. In whose hands did you see the affidavits of which you speak?

Your reply to this question, will for the present, end our correspondence on this subject.

I am, sir, your most obt. servt.

GEORGE POINDEXTER.

HON. DUTEE J. PEARCE.

(Copy.)

Washington, Feb. 21, 1835.

Hon. Geo. Poindexter:

SIR: In reply to your note which I received this morning, I am at liberty to state in answer to the interrogatory which you have propounded, "in whose hands did you see the affidavits of which you speak," that the affidavits were by me read at the house of the President of the United States; they were handed to me in his presence by a friend of his, by me returned to the President, and were put into his hands by the affiants themselves, as I have been informed by him. And I am further authorized to say, that other testimony of the kind is expected.

Your very obt. servt.

DUTEE J. PEARCE.

District of Columbia, } To Wit.
Washington County, }

On this 13th day of February, 1835, personally appeared David Stewart, before me the subscriber a justice of the peace, in and for the county aforesaid, and made oath on the Holy Evangelists of Almighty God, deposing and saith, that about the last of December, 1834, or the 1st of January last, he, this deponent, saw Richard Lawrence go into Senator Poindexter's dwelling house, on Four and a Half street, and the Tuesday before the attempt to assassinate the President of the United States, he, this depo-

nent, see Senator Poindexter and Lawrence in Senator Poindexter's passage in conversation.

DAVID STEWARD.

Subscribed and sworn before me the day and year before written.

ROBT CLARKE.

Justice of the Peace.

District of Columbia, } To Wit.
Washington County, }

On the 14th day of February, 1835, personally appeared Mordecai Foy, before me the subscriber, a justice of the peace, in and for the county aforesaid, and makes oath on the Holy Evangelists of Almighty God, deposing and saith, that his shop is opposite to the dwelling house of Senator Poindexter's, on four and a half street, and he, this deponent, seen Richard Lawrence go into Senator Poindexter's house and return out again at different times; and particularly on the Tuesday previously to Lawrence's attempt to assassinate the President of the United States, he this deponent, see the said Richard Lawrence go into Senator Poindexter's house and return.

MORDECAI FOY.

Subscribed and sworn to before me on the day and year before written.

ROBT CLARKE, J. Peace.

Statement of the amount of Gold remaining at the Mint uncoined on the 31st December, 1834, with the sum deposited for for coinage within the month of January, 1835, together with the amount of Gold Coinage executed during the same period. Remaining uncoined at the Mint, December 31st, 1834. \$435,000 Deposited for coinage within the month of January, 1835, viz.

Uncoined bullion,	\$211,000
Coins of the United States of former standard,	117,500
Foreign coins,	27,600
	356,100

	791,100
Amount coined within the month of January, 1835,	346,200

Remaining at the Mint uncoined,	\$344,900
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ST. PATRICK'S DAY.

At a meeting held at the house of Mrs. BRADSHAW, Chesnut street, on Wednesday evening, March 11, 1835.

MR. DENNIS MURPHY was called to the Chair, and

MR. WM. DICKSON, appointed Secretary.

It was on motion Resolved, that IRISHMEN and the friends of IRELAND, will celebrate the ensuing anniversary of St. PATRICK, at the Indian Queen Hotel, 4th St. between Chesnut and Market streets.

On motion, the following gentlemen were appointed a Committee of Arrangement, from any of whom Tickets may be had:

Martin Murphy,	Joseph M. Doran,
Alexander Diamond,	Alexander Doherty,
Dennis Murphy,	John Maguire,
William Dickson,	Paul Riley,
Edward M. Mackin,	B. Duke,
John Brady,	Joseph Diamond, Treasurer

On motion, Resolved that the foregoing proceedings be published in the daily papers.

DENNIS MURPHY, Chairman.
WILLIAM DICKSON, Secretary.

REPORT

FROM THE SECRETARY OF THE TREASURY,
On the Present System of Keeping and Disbursing the Public Money
(CONCLUDED.)

It has been admitted by one of its officers that "there are very few [State] banks which might not have been destroyed by an exertion of the power of the Bank" (of the United States.) Among small local or private institutions, as in Scotland, mutual vigilance over each other has always proved a most excellent regulator of the safety and amount of the paper currency, without the help of a National Bank of any kind; and the same vigilance in New England, combined with a similar foresight and shrewdness in monied concerns among the mass of her population, has prevented the general suspension of specie payments there at all times, as well when no National Bank existed as when it did exist, and has reduced the failures of banks there, as in Scotland, to a very small number, compared with what have occurred at sundry times in other quarters of the Union. The small extent and benefits of this kind of influence by a National Bank do not depend upon mere speculative reasoning, but can, in some degree, be computed. A few recorded facts throw much light on the question whether it has been more beneficial than that of State or local Banks left to their own intelligence, competition and sagacity, under the restrictions imposed on them by self-interest, by usage, and the State Legislatures. Before the first National Bank was incorporated here among the three or four State Banks then in existence, no failure

whatever occurred; but under, and notwithstanding the influence of that Bank, though much better regulated as to its issues, and in its management in general, than the present one, probably fifteen or twenty failures of State Banks happened previous to the expiration of its charter in 1811. From that time to 1816, during which period no National Bank was in being here, the whole number of failures did not amount to more than five or six, though the whole number of the Banks had increased from three or four in 1791, to eighty-four in 1811, and to two hundred and forty-two in 1816.

But since the incorporation of the present Bank in the last named year, the failures of the State Banks, whatever salutary power the former has exercised, have much increased, and they have been estimated in part, and in part ascertained to have exceeded one hundred and fifty previous to 1830. In England, where the full benefits of a National Bank have been enjoyed, and have been improving, so far as there deemed practicable, more than a century and a quarter, its influence in preventing over-issues and failures among the local and private Banks has proved to be very considerable. During the same years, from 1816 to 1830, inclusive, the commissions of bankruptcy actually taken out against them there were two hundred and six; and the stoppages of payment in a portion of that time having been ascertained to be more than double the number of actual bankruptcies, it is probable that, during the above period, over four hundred and twenty occurred there of what would be considered here bank failures. While the whole number here in that period was only about one hundred and fifty, and judging from the account before given of our unavailable funds, nearly one hundred of those last have redeemed their bills, and many of them resumed business. Indeed, in only four particular years since 1813, two hundred and eighty-eight Bank failures occurred there, computing as before, all the stoppages at double the number of actual bankruptcies, and which two hundred and eighty-eight is probably one hundred beyond the number of all such failures in all the U. States from the commencement of our banking system, in 1781, to the present moment. The undersigned is aware that formerly the number of private banks there was considerably larger than here, but it is now less than double the number of State Banks in operation here. Again from 1811 to 1816, inclusive, with a National Bank, there the failures were, on the above mode of computing, over two hundred and twenty, while here, without any such bank, they were only five or six; and in Scotland, without any such bank, they have not for a century exceeded three or four, and some of these three or four in the end paid twenty shillings in the pound.

Parallel years in many cases have been selected, in order that the relative operation of great causes in the commercial world, affecting in some degree both countries, might not produce any difference in the comparative results, and that political economists might truly assign to them all the influence in these failures which they doubtless exercised, in defiance of any power of either National Bank as at present organized and administered. One or two other circumstances are very striking, such as that here, though without a National Bank, specie payments were not suspended till after the occurrence of war and actual invasion, though there, with a National Bank, after war and the mere threat of invasion, they were suspended. They spread there over the whole country, but never extended here into New England; and they continued there over a quarter of a century, though they lasted here in general, short of three years.

These differences may in part be owing to the more severe and protracted wars in that country, and (in consequence of its vast debt, and a large portion of it being owned on the Continent, and its distant and extensive operations on land and ocean, requiring great funds and subsidies abroad) may, in part, be owing to a money market somewhat more sensitive and fluctuating than ours in the rate of exchange, and demand of specie for export.—But another essential difference has existed between the condition of the private and local banks here and there. Ours have generally been subject to rigid regulations as joint stock companies, under many salutary legislative restrictions on their issues and great publicity of late years in the condition of most of them. Theirs, till the last year, were left very much to the sole direction of the proprietors, and with no publicity of their condition; and with little check over them, except the competition of each other, and the small indirect influence of their national institution. It is not, therefore, believed to be arrogant or inconsiderate to suppose that the banking system in most of the U. States has been quite as carefully, if not more judiciously, regulated by law than in England, and has in practice here, whether with or without a National Bank, been attended with fewer and less calamitous losses to the community, or injuries to the currency.—In further proof of this, during the last year, public opinion gave rise there to some new legislative regulations, resembling some of ours, and especially as to greater publicity about the condition

of the Bank of England. In fine, without this and certain other legislative regulations, united with some provisions incorporated into bank charters, which may be enumerated hereafter, it is in vain to expect that either National or State Banks will ever be likely to perform much beyond what is merely incidental, and neither expensive nor troublesome, in regulating the currency of the country.

7. In respect to the only proposed enquiry which remains, and which relates to any increased security needed for the present paper system, and any desirable improvements in the present deposit system, the undersigned entertains an opinion that they can and ought to be obtained, not from the continuance of a National Bank, whose influence has been so trifling on the currency, and whose power, as a fiscal agent, is now so little needed, but by alterations in respect to the State Banks by the States themselves, in various particulars heretofore and hereafter suggested, in connexion with such regulations and laws, bearing on the general currency of both coin and paper, as it is competent for the General Government to adopt. Or if, contrary to the expectations of the undersigned, in the present condition of the country, or any condition soon anticipated, these alterations should be found ineffectual for all necessary and proper purposes, confided to the General Government, the increased security must arise from a still further abandonment and restriction of paper, than is now contemplated by this department, rendering the currency, if possible, in still larger proportion metallic. Or, in the last resort, if that, and all other remedial measures, considered lawful, should prove unsuccessful, any further securities, improvements, or powers, then deemed indispensable, and not attainable, consistently with our present constitution, must of course be sought from what is not recommended, and what is not believed to be feasible or judicious—an amendment of the constitution in relation to banks.

But the mischief justly to be apprehended from a large and powerful moneyed corporation, connected in any shape with the Genl. Government, the strong operations of which are already, and always have been, proper subjects of constant vigilance and wholesome jealousy on the part of the people and the States, is so great, that it will be time enough, whenever the people and the States shall consent to such an amendment, and to the establishment of such an institution, to discuss the proper powers, and restrictions of powers, for it. It will then be time enough to discuss, also, whether it should be a bank of mere deposits, or one of deposits and discount, and of paper issues; whether a single and central institution, or divided into three or four separate establishments for the great sections of our common country, with branches to each; whether it be wholly public, and founded on public revenue and public credit, or be only in part public; whether, in fine, it be with some effective governmental control, and if any, to what specific extent, and by what body, public commissioners, some department, or Congress itself; or that, within the limits of our free and happy institutions, there shall be erected one institution, of a public character, and of a moneyed dominion independent of all others—the creature superior to the creator—and a servant on public matters, intrusted with power to affect the value of all property, and the fulfilment of all contracts, and yet be placed in an attitude to set the whole public authorities at defiance. If a National Bank of any efficient character be tolerated, either before or after an amendment of the constitution, it must be obvious that one of two evils will occur—either a great moneyed power will exist, independent, uncontrolled, and then in fact uncontrollable; or such a power will exist, with a due control by the Government, and thus enlarge greatly the present central influence of the latter, without any increase of the present restraints on it by the people and the States. Both are dangerous; and, after all these and similar considerations, too numerous for recital here, the question will still recur, whether so much is probably to be gained by such a National Bank, as will justify this indirect abolition of most of the State banks, and this condensation, to almost a single point, of all large pecuniary favors, indulgencies, and powers, and as will counterbalance the strong constitutional doubts which now exist such an institution, and those other doubts, of enlightened and far-sighted expediency, which, in the present condition of our virtual exemption from all debt, our prosperous finances flourishing commerce, improving currency, and easy fiscal operations, will always spring up on every side against a grant either to or by the General Government of any further great, exclusive, and concentrated power over “associated wealth.” The undersigned wishes to be distinctly understood as not favorable to a national banking institution, and this being his opinion, with or without an amendment of the constitution, he does not therefore recommend any such amendment.

Under the existing circumstances, he trusts there is a large class of the community who do not consider it prudent to renew exclusive privileges, already in their opinion become odious, to

extend monopolies, already abused, or to confer increased capital and power where the exercise of those now enjoyed has been concealed, and withheld from a full examination by the public directors, and by Congress, through a committee whose authority was disregarded and contemned; or to grant to any new institution what has always been doubted by many to be expedient in any state of things, and is much more doubted in a state of things now so essentially different from that which existed at the time of conferring the former charter; and, in fine, to increase indirectly, if not directly, the great strength of the General Government of the Union, when not clearly necessary to execute, in a due manner, the express powers intrusted to its charge. Much of what is expected to be gained by such an institution, whether enlarged or otherwise so modified, it must be remembered, before one shall in any way be attempted, is rather founded on speculation than experience, and may never be realized, while some of the expected gain as well as most of the advantages derived from the present Bank could, without any constitutional difficulty, be probably realized from the State banks under their present organization, with merely a few additional provisions. These are such as can properly be made by Congress in respect to banks which are public depositories, and others, whose notes are received for public dues. Similar ones, without doubt, will seasonably be adopted by most of the States themselves. To these may be added such other provisions as it is competent for the General Government to make, in relation to all the banks situated within the district of Columbia.

The character of those legal provisions which might tend to improve the present system of selected State banks, and which come within the competency of the General Government, is next to be considered. One of them relates to some essential changes connected with the circulation of small notes, and is, in the first place, to refuse to continue the use of any banks as public depositories, which after one year shall issue any notes of a smaller denomination than five dollars, or, after three or four years, of a smaller denomination than ten dollars, and subsequently to extend the restriction further or not, as experience may require.—Another provision is, after those respective periods, not to receive in payment of any public dues the notes of any bank not conforming in its issues to the same regulations; and another is to prohibit the circulation or issue of small notes in the District of Columbia.

Some have supposed it would become necessary to impose a general tax or stamp, as suggested by Mr. Gallatin, on the issues of small notes in any part of the United States, and which tax would be of a size effectually to prevent the injurious effects of such issues. But this last measure is not recommended by the undersigned, for various reasons, that need not here be detailed, nor is it believed that such a measure will ever become necessary, should it be deemed lawful, as it must be manifest, on a little inquiry and reflection, that the banks themselves, in regard to their own safety, credit, and consequent emoluments, will in the end find no less benefit than the community will, in the disuse of small notes. The salutary influence has before been alluded to, which, in respect to the improvement of the currency, was exercised by the old rather than the present Bank, in the issue of no notes smaller than ten dollars, and which last denomination is lower than any bank notes now in circulation in England, France, or Germany, and, it is believed, in part of the Continent of Europe. This disuse in any country where the paper system prevails, is well ascertained to be the only easy mode of retaining a full supply of specie, so that it may come to the relief and security of the community during severe wars and great commercial embarrassments, and may help to sustain promptly banks themselves when hard pressed by a demand for specie, to hoard during a panic, or to export during an unfavourable rate of exchange.—

A consciousness of the danger attending the paper system in England, with a specie circulation not sufficiently enlarged, induced their National Bank, when the resumption of specie payments was contemplated, at once to acquiesce in the proposition of Parliament to call in the small notes then abroad, though the least denomination was almost five dollars, or one pound sterling and after four years to issue none less than five pounds, or nearly twenty-five dollars. The same limitation was subsequently attached to the private and country banks, to take effect in 1829, and as to one and two pound notes, except in Scotland and Ireland, after 1825. In these last countries, however, it is understood the smallest denomination of paper usually circulated at any time has not been less than one pound; and the currency of Scotland, without further restriction in this respect, could never probably, with so little specie, have continued so safe, and its banks in such high repute, had it not been that her great distance from London, the centre for exporting specie, and of favorable exchange against the interior, rendered it preferable to the holders of bills on Scotch banks, in times of pressure or a panic, to receive what they always make previous arrangements to give—a draft

on some respectable bank or banker in London. Situated like most of the banks in the interior, of New England and New York, as to Boston and New York city, such a draft, instead of specie, has generally been preferred to be received from the Scotch banks, as it would be of more value in the exchange market, and would not expose the holder to the expense and inconvenience of transporting the specie three or four hundred miles to London. But the paper system has not only been greatly strengthened for all purposes, and the foundations of specie, on which confidence in it generally and chiefly rests, have been much enlarged wherever the withdrawal of small notes has occurred, but a most dangerous weapon has been taken from the hands of that class of the community most easily excited in a mere political panic, to embarrass a bank, whose credit with the commercial world may at the same moment be entirely sound, and with whom, by means of the large bills, or large amounts of them in their possession, no run would at first be attempted.—A run on banks in all countries, when arising from political considerations alone, has uniformly commenced with small notes, and by persons who, from their education, pursuits, and pecuniary condition, are most readily influenced by the designing, and most likely to be misled on any sudden and exciting occasion.—Not so frequent illustrations on this subject have occurred in this country, where the great mass of the community are believed to be more intelligent; but we have not been wholly free from them, and, when occurring here, their operation has always been similar; and to be much deprecated. Thus, during the last winter and spring, had the political panic extended to the great mass of society, so as to have rendered them hostile and distrustful, instead of being generally friendly towards the State banks, it must be obvious to all, that a scene of infinitely greater embarrassment and ruin would, probably, have occurred with so many small notes, so widely distributed in some States among all classes, and without a broader basis of specie in the community or in the banks to sustain a severe run. Wherever there was added to this, or occurred, instead of it, any commercial panic or discredit about any particular banks, it would, in most of those cases, inevitably lead to a stoppage of specie payments, unless some immediate relief was interposed to meet it, like additional security for the ultimate solvency of such banks, furnished or tendered in some form or other by individual stockholders and directors, or by a State, or by the General Government. Such relief and security were then offered in some parts of Virginia in the first mode, in New York in the second mode, and to all the deposit banks in the third mode, through the confidence reposed in them, by their selection, and the large funds intrusted by the Treasury to their custody for safe keeping. It was only by the last of these modes that the United States Bank itself was probably relieved from the stoppage of specie payment early in 1819, when its specie on hand at the close of the previous year, in the mother bank and all its branches, was only about two and a half millions of dollars, to redeem a circulation of about seven and one-third millions, and to meet a liability for more than nine millions of deposits. The confidence given directly and indirectly to the Bank of England, by the Government, in similar ways, contributed much to save it from commercial discredit, and to keep its bills nearly at par, in the opinion of some writers, for more than ten years after it actually stopped specie payment in 1796, and at a moment when its specie had become reduced to only £1,086,170, with a circulation to be redeemed of £9,674,780. The same confidence, probably, prevented another stoppage in 1825—'6, when its specie had fallen to £1,260,000, when a circulation over £25,000,000, to be redeemed. But the withdrawal of small notes required by Parliament, to prevent in some degree the recurrence of such dangers, and to take the possession of these means from those most likely to use them unnecessarily, in a political panic, for purposes of embarrassment, has since had the beneficial effect of strengthening, in a pressure, the banks themselves, by increasing the specie circulation of that country, on which the paper in some degree rests, to an amount more than equalling its whole paper circulation; while here, the last year, and before this change was strongly recommended by this department, the specie circulation was computed to be only about one-seventh the amount of the whole paper, and all the specie in the country was only about half the amount of the paper in actual circulation.

This withdrawal has there, also, not only in a great measure disarmed the worst enemies of the banking system in the period of a political panic, as before explained, but it has rescued the poorer classes of persons from almost the whole inconveniences to which they chiefly were exposed by the discredit of bank notes, and from most of the losses they suffered by counterfeiters. Thus, if no notes circulate of such small denominations as are usually required in money to effect the purchases and payments by those classes, but they are furnished with silver and gold to effect such objects, it must be manifest that they at once become relieved from any considerable apprehension about the business and credit of

banks and the apprehension is properly devolved on the wealthier and more commercial classes, for whose benefit chiefly banking institutions are incorporated. If losses, then, occur by failure of Banks, or the depreciation of their notes, those losses reach in only a small degree, persons who seldom own the stock, or keep in their possession large notes, but fall, as they should, on the more opulent, who not only own most of the stock in banks, but reap the chief profit and accommodation connected with their establishment. In respect to counterfeiters these were so much confined to the small notes in England, as to furnish an additional reason there for prohibiting the issue of such notes; and they are in this country probably in a ratio of ten to one among the smaller notes. The reason will, on a little reflection, be obvious, as the less informed and less affluent, to whom the small bills are most frequently passed, are less qualified to detect impositions, while they are less able to bear the losses from them, than the more wealthy, who rarely are deceived by counterfeit bills.

The withdrawal of the smaller notes will, therefore, not only relieve, in some degree, all, but in a great degree the most exposed portion of the community, from frauds and injuries by counterfeit bills; but it will not at the same time subject them to losses, in an equal degree from counterfeit coin. The weight of coin, independent of other tests, is a ready, easy, and almost certain mode for all classes, of detecting counterfeiters of any great value, since the specific gravity of gold nearly exceeds twice that of any other metal except one, and which one is expensive, rare, and unprofitable as a counterfeit.

The next essential change, to that connected with the withdrawal of small notes from circulation, and which this department would recommend as an improvement in the present fiscal system of employing State Banks, is to require the fullest returns to be made by those employed, in relation to their actual capital paid in; their discounts, circulation, specie, and other circumstances, throwing light on their probable safety and intelligent mode of conducting business. This, coupled with the power, through committees or commissioners, to verify the correctness of such returns, by actual examination in cases of suspicion, will prove a highly conservative and useful measure to both the public and the banks, as well as the Government. It will not only furnish to the latter a salutary facility in discovering and revising any errors in its depositories, arising from inadvertence or misapprehension, but will increase its security; and, if the banks really merit confidence, will justly ensure to them all that improved standing and augmented trust with the community, which, in the end, must prove so advantageous, in a pecuniary view, to their proprietors. The late examinations in England of the most intelligent bankers and skilful financiers, led to a parliamentary provision, for the first time, in favor of minute reports from the Bank of England to the Government, and the average results of which, quarterly, are required to be made public. In 1820, Mr. Crawford went so far on this subject, as, in some cases, to request of a bank a confidential "list of its debtors, showing the amount due by each." All mystery on the subject of banking should cease. It is unworthy the age in which we live, and the form of Government we support; and the real condition of all banking institutions, which claim public confidence and credit, should be shown far and wide, to all interested, fully to deserve that confidence and credit. The next changes of much importance recommended, have been considered in detail in my annual report, under the remarks there offered in respect to the recent alterations in our gold coinage, and the further improvements suggested in that, and in the operations of the Mint.

The new coinage, and increased rapidity in manufacturing it, constitute an invaluable part of the present and proposed system for gradually withdrawing small notes, and substituting gold and silver. This will increase the quantity of silver in circulation, as well as introduce with it gold coin that shall be of convenient denominations for general use, and that shall possess a nominal value, so clearly equal, if not superior, to its market value for bullion, for ornamental manufactures, and for exportation to foreign markets, as to be likely to preserve it in common employment as an essential and large portion of the circulating medium. The existence of no small notes, and a similar mint and tender system in France to what prevails here, has introduced and preserved in their circulation near 170 millions of dollars in gold coin; while in England, with a mint system less favorable, and a tender system more favorable in gold, it there constitutes quite four-fifths of the specie part of their currency, and has increased from less than 20 millions of dollars in 1818, to more than 200 million in 1829. It constitutes very large portions of the currency of many other European Governments, under various regulations, often less encouraging than ours to its circulation; and in a number of the Spanish American Republics, as well as Brazil, it has a strong tendency to come into more general use, under a change of taste, a conviction of its benefits for a larger and more distant payments, and under the increased production of it from the

mines, compared with that of silver, both there and in this country. Here, the production of gold has, in ten years, augmented from about 2,000 dollars yearly, to one and a half millions, or one-fifth of all the annual produce in gold of Europe and America. The ratio of increase in the production of gold has been, in all America, more than treble, since 1819, what it was the ten previous years, when it had been quite one-fifth beyond its former amount, while silver has decreased in about the same ratio since 1819 as since 1809, and which ratio was nearly one-half.

Another change might be useful, at some future period, in point of economy, and, at the same time, conducive to the prevention of too frequent fluctuation in any system of imports and incidental protection to domestic manufactures. It is one suggested in my annual report, whenever a large balance of money shall be on hand hereafter in permanent deposits, that either a small interest should be required on it, under certain circumstances, or that a temporary investment of all above a specified amount in the Treasury should be made in some stocks, sound and saleable, with an authority to dispose of them whenever their proceeds may be needed for public use. The particulars on this subject need not be repeated here; though some provision in relation to them, applicable to any large surplus or deficiency which may hereafter at any time unexpectedly happen, might prove prudent and profitable.

Should a regular increase or deficiency occur for a few years, the remedy would of course be otherwise attained by a change in the tariff, as this proposition is intended to apply only to excesses or deficiencies, occasional, temporary, and unexpected. The only remaining change that will be now adverted to, consists in an improvement of the currency and of the banking system within the district of Columbia.

To prevent misapprehension, it may be proper to add that, by any remarks on this subject, it is not intended to recommend that any banking institution should be organized here, with any power whatever beyond the limits of this District, or with any peculiar power, over any other bank in the country, connected with this department, or with any power not properly adapted to objects belonging to the business and wants of the District alone. But the system and operations of banking here have been generally very unfortunate: and it does not appear to be very sound philosophy to complain of the State banks, of their deficient organization, and their insecurity or failures, when, of the banks incorporated by Congress, whether in this District or in the U. States at large, being, it is believed, fifteen in all, at least six, or over one-third of the whole number, have, at different times, failed, and all of them which were in existence in 1814 then suspended specie payments, as will be seen in the document annexed.

Our whole probable losses, as yet appearing by all of them, in all ways, though likely to be hereafter somewhat further reduced, exceed one-third of a million, or a sum equal to one-fourth of the whole amount of all our unavailable funds. These results, under the former legislation by Congress, incorporating banks, are certainly not very flattering, though the mode of doing business in this District, and the peculiar position of it and its banks, may have increased greatly and necessarily their risks and misfortunes. But the lesson taught by all this seems to be that greater caution would be useful and necessary hereafter in legislating as to banks in this District; and, in that event, little doubt is cherished by this department, that, as most of the old charters are about expiring, the opportunity to produce more numerous restrictions and securities into any renewed ones can be advantageously improved, and some general legislation adopted for the currency of the whole District, which may prove highly useful. It might be suggested here, in detail, what, in the opinion of the undersigned, those restrictions and securities ought to be, in order to ensure the continuance of specie payments, whether by high penalties or otherwise, such as to restrain excessive issues over the amount of specie on hand, to render individuals liable to the extent of their subscribed capital not paid in; to check discounts on too long credits, and without ample security, to prevent hazardous loans to their own directors, or on pledges of their own stock; and several other important and more doubtful considerations, like the requirement of security of the public by stock or property, or the personal liability of the proprietors.—But, as the details on these and similar points might not be deemed pertinent, unless application were actually pending for new charters the further consideration of the whole of them will be deferred. The undersigned would now only urge the early adoption of the general provisions which seems equally proper, and well adapted to the present as the future, and under the old as the new charters; that small notes, in the manner lately mentioned, should not be allowed to circulate at all in the District after a limited period; and that monthly if not weekly returns of the

conditions of all the District banks should be communicated to Congress or this department, actual examination be made yearly into their accuracy, and entire publicity given to the results whenever the public interests appear to require it.

The present system of State banks for deposits, with the changes and regulations as to them and the currency, which the undersigned has had the honor to suggest in this report, is respectfully recommended to Congress for adoption, by a specific act of legislation. He cherishes great confidence, that the system of fiscal agency now employed for the Treasury, so far as regards the safe preservation and convenient disbursement of public money, will continue to prove successful; and if not in every respect, equally so with the system preceding it, or with any other that could be submitted in the form of a National Bank, yet that in some material respects it is superior, and in others so little inferior, as not to justify an abandonment of it for any other beset with such grave questions of general expediency and constitutional power. Public confidence in the correctness of this conclusion may justly be strengthened by our experience during the past year, when the newly selected State Banks, though in the infancy of the trial, with many novel difficulties to encounter, and assailed by a panic unexampled in this country surrounded by extraordinary distress, real or imaginary, without the aid of the powerful means of the Bank of the United States, if not with those means in some places, and with its general course of policy in all places, in direct hostility, have yet passed through the fiery ordeal in perfect safety, without the failure of one of them, and without the loss of a single dollar to the Government. Besides this, the operations of the Treasury, chiefly conducted through the agency of these banks, have proceeded, generally with ease, promptitude, and fidelity, even in the remotest sections of the Union; and the general currency of the country has, in the mean time, greatly improved, instead of deteriorated.—Over twenty millions of dollars have probably been added to the specie portion of it. The entries at the custom-house, from the first of October, 1833, which have been received, to 4th December, 1834, exhibit an excess of importations over the exports of coin and bullion, amounting to \$17,736,901, and the amount arrived but not there entered, in the same period, has probably exceeded two and a half millions. It is gratifying to see by the statement annexed, that, of those importations, gold has constituted about four millions, and that they have thus greatly, and very opportunely, aided the efforts of Congress to enlarge that portion of our currency, by giving a new nominal value to our gold coins, calculated to retain and increase them as a permanent and very useful part of our general circulation. In the continuance of the measures now in operation, with the changes proposed, it is anticipated that the metallic basis of our paper currency will be still further, though slowly, extended, by importations and the rich produce of our mines, until it rests on nearly as broad and solid a basis as in many countries of Europe; and that this will happen in due season, without abandoning the use of banks, and of paper, for their appropriate duties. The withdrawal of notes under five dollars would diminish the paper circulation, where they exist, about one-fifth or one-fourth, and of notes of five dollars about one-fourth more, leaving gradually a vacuum to be filled by the additional specie, amounting to nearly twenty-five millions, or equal to about one-third of our whole paper circulation in 1833. The State banks would still find useful employment for much of their present capital and present amount of circulation, and the requisite quantity of specie in the place of their small notes could be easily introduced if the thirty-five millions capital of the United States Bank, after the charter expires, be devoted to other employment; because its circulation of about fifteen millions in paper would, in that event, be withdrawn; and by the notes of the State banks, and by a substitution of its own specie, aided by the large importations of specie lately made, the vacuum thus created, the increased wants of our increasing population, would both be well supplied. If, as the present and past prosperity of our fortunate country seem to justify, a calculation be formed that an addition of at least 400,000 persons is yearly made to its whole population, it will, by computing eight dollars per head as the average amount of our circulation, require an annual addition to it, in specie and paper, of between three and four millions. The amount of bank capital now in the States, and of specie now in and about entering the whole country, may be amply sufficient at the present for all these objects and charges. Nor is it perceived that any strong probability exists of their soon becoming deficient. The rate of exchange, which, when very unfavorable, is almost the only cause which can lead to any considerable export or withdrawal of our specie, has been, during most of the past year, much below real par, which is near seven per cent. nominal advance.

During that year it has never been, nor is likely to be, so much above real par as to render the export of specie profitable, and

which, it is understood, must be from two to two and a half per cent. nominal advance. As the rate of exchange depends chiefly on the balance of our foreign trade and debts, and the remittances which are obliged to be made for meeting them, it will be seen, that while foreign goods undergo no considerable nominal increase in price, or in the quantity wanted for consumption, (and it is to be hoped domestic manufactures, by their present protection, by improved experience and skill, and the indefatigable enterprise and industry of our people, are augmenting nearly in the ratio of our population,) the sum to be paid abroad cannot much increase, unless our debt to be paid there, or the foreign capital invested here, has become larger, or the latter has become more likely to be withdrawn. But, so far from our public debt, owned abroad, being greater, and thus continuing on our own resources a drain of either specie or domestic produce, to pay the interest and principal, as it has injuriously done during the last forty years, we can justly rejoice over its entire extinguishment. It is also believed that the investments of foreign capital here in private stocks of various kinds have not altered in any considerable ratio. They were about the same amount in the two United States Banks, though, from the difference in the size of their capitals, seven-tenths of the former were owned in Europe, and probable about one-fourth of the latter. From the rate of interest here and abroad, and the estimated stability and security of our institutions and Governments, compared with their own, it is not apprehended that any great withdrawal of foreign capital is likely to take place from any private investment here, so as to increase essentially the amount obliged to be paid there. On the contrary, the means to meet the reduced foreign demands are believed to be much enlarged, by a rapidly extending cultivation of our new and fertile soils, and a consequent production of a greater surplus for exportation, at fair, if not high prices; and by the other great conservative circumstances which exist in the present state of our country, such as an augmenting population, an entire freedom from national debt, a large reduction in the public taxes, and a condition, as to education, skill, industry, and sound morals, judicious enterprise, and almost every element of national prosperity, advancing yearly, it is hoped, higher and onward. It is not, then, presumptuous to anticipate that the balance of trade, or rate of exchange, is not likely again, very soon, to become so unfavorable as to cause any great export of specie. Another large drain of it from this country to India, during the last fifteen years, and which, from the nature of our trade there, seemed inevitable and permanent, has been chiefly stopped, in its direct course, by exports of domestic manufactures in its place, and by bills of exchange; but which last, it is conceded, must still be met in Europe, though, after a useful delay, and in consequence of the sale there of part of the return cargoes, and of our increased surplus abroad from exported produce, they will be met by a diminished withdrawal of specie from this country. As flattering a prospect is therefore opened to the condition of our currency hereafter, as could exist under the present form of our constitution, construed, as it is, to render the propriety of a charter to any kind of a bank without the limits of this District very doubtful, and not to prohibit the incorporation of banks by the States, unless organized in such a form as to be tantamount to a mere emission of bills of credit, founded (as was doubtless contemplated in the prohibition in the constitution, that "no State shall emit bills of credit") on mere credit, and that the credit of the State alone.

Taking our system of a currency, then, as it is supposed to be established by the constitution, being, as regards the General Government, a purely metallic currency, but leaving banks with paper issues, founded on a capital paid in, and not on the mere credit of a State, to be incorporated for local purposes, within the States and this District, whenever considered expedient, it is believed that the present fiscal arrangements, with the modifications previously mentioned, will continue to be as prosperous as the nature of the paper system, when it furnishes any considerable portion of the currency, will permit. By a change of our constitution, or by an entire change in the legislation of the States and of Congress, it is admitted that this country might adopt a purely metallic system throughout, without the use of any kinds of banks or bank paper, and thus avoid most of the injurious fluctuations in the whole amount of the currency so generally incident to the paper system, and remove generally the dangers and disasters, always more or less attendant on the credit involved in the paper, but which do not and cannot so much attach to coin, when made, as it is here, of materials whose inherent value for purposes of ornament and manufacture is nearly equal to its nominal value as coin. Yet, until these events shall occur, it is the part of sound philosophy and true political wisdom to improve to utmost, consistently with the constitutional difficulties, our present mixed currency. When it is remembered that, after long experience, almost every nation of Europe, and especially the most enlightened and commercial ones, have, though possessing

full power to abolish wholly the paper system, deemed it good economy and great convenience to retain it a certain extent, for larger and more distant operations in commerce and finance; when it is considered that the paper system is generally supposed to increase the activity of the surplus money capital of a country, by collecting it into banks, and distributing it speedily, as needed, and to make a less quantity of circulating medium, employed in this way, answer the same purposes of society with a larger quantity otherwise employed; and when it is computed by many, whether justly and wisely need not here be discussed, that, through the issues of paper over the amount of specie in the vaults of banks, the public is enabled to obtain a temporary use of so much more money, as if to that extent, and for that purpose, it were a real addition to the specie capital, and at the same time to realize a saving in the wear and loss of the specie in the vaults, which it would otherwise sustain in actual use, the question becomes very doubtful whether, in this commercial and widely extended country, the anticipation can be justified, that the States or the People will soon, if ever, consent to the total disuse of banks of paper issues. But it is more probable that the discussion and increased interest attending this subject will terminate here, as in England, not in abolishing all country or local banks, though Parliament, like the States, possess undisputed power to do it; but, for the present at least, in only exercising greater care in the regulation of these banks by the States, and in creating, by both State and United States legislation, a broader basis of specie in circulation, for the increased security as well of the banks as of the community, and for the great and desirable improvement of the currency of the country. The undersigned, however, would not be understood as inculcating an opinion that even by such increased security, or by any guards and restrictions of any kind, the State banks, or banks of any description, can be placed entirely beyond the possibility of embarrassment and failure. Besides revulsion in trades and prices, springing from ordinary causes, or extraordinary discoveries and improvements in the numerous arts and labors of life, and which, while civilization and liberty shall last, must frequently create changes in values of all kinds, and especially in the worth of the precious metals, all banks, like individuals, either directly or indirectly, by various accidents to themselves or their customers, such as robbery, fire, tempests, and wars, are exposed to occasional and severe losses. In fine, the mere credit involved so deeply in the whole paper system as a system, is a circumstance, from the evils of which, granting its benefits in other respects, it is not in the power of human ingenuity wholly to escape.

The vice or danger is inherent in credit itself when so extensive; credit, that the bills will be redeemed, and this credit depending not only on the faithful conduct of the directors and officers of the bank, and the exemption of its property on hand from inevitable casualties, but on the solvency and punctuality of the great mass of its customers, exposed in their persons and fortunes to those thousand accidents by flood and field from which nothing mortal is secure, and against which governments the most rigid and vigilant, any more than individuals, cannot effectually guard. Governments cannot be administered without giving some credit to debtors, and to collecting, keeping, and disbursing officers. Changing the name of the debtor, or the debtor himself, from an individual to a bank or corporation, does not produce any charm on the nature of the transaction, and does not prevent it from still resting on credit, and being in some degree liable to all its dangers and disasters.

But the consequent embarrassments, though often inevitable, are in a greater degree inseparable from a paper than a metallic system; and it is therefore desirable either to avoid the former whenever it can be legally effected, and without an exposure to equal injuries of a different character, or to restrict it, in the safest forms practicable, to its original and most useful purposes. It is gratifying to reflect, however, that the credit given by the Government, whether to bank paper or bank agents, has been accompanied by smaller losses in the experience under the system of State banks in this country at their worst periods, and under their severest calamities, than any other kind of credit the Government has ever given, in relation to its pecuniary transactions. Hence, unless the States and the United States, should both deem it proper, gradually, and in the end, entirely to discontinue the paper system, and which event is not anticipated, the Government cannot escape occasional losses from that quarter; and can never hope to escape all losses from banks as fiscal agents, except by the employment in their place of other and individual agents, who will probably be found less responsible, safe, convenient, and economical.

All which is respectfully submitted.

LEVI WOODBURY,
Secretary of the Treasury.

To the Hon. the SPEAKER
of the House of Representatives.